



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements Audit Report

Town of Coulee City

Grant County

For the period January 1, 2012 through December 31, 2013

Published December 29, 2014

Report No. 1013283





Washington State Auditor
Troy Kelley

December 29, 2014

Mayor and Town Council
Town of Coulee City
Coulee City, Washington

Report on Financial Statements

Please find attached our report on the Town of Coulee City's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

TROY KELLEY
STATE AUDITOR

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**Town of Coulee City
Grant County
January 1, 2012 through December 31, 2013**

Mayor and Town Council
Town of Coulee City
Coulee City, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Town of Coulee City, Grant County, Washington, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated November 7, 2014.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

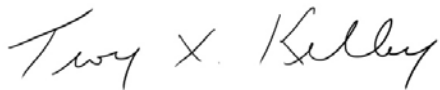
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



TROY KELLEY
STATE AUDITOR

November 7, 2014

Independent Auditor's Report on Financial Statements

Town of Coulee City Grant County January 1, 2012 through December 31, 2013

Mayor and Town Council
Town of Coulee City
Coulee City, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Town of Coulee City, Grant County, Washington, for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 9.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the Town of Coulee City has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town of Coulee City, for the years ended December 31, 2013 and 2012, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Town of Coulee City, as of December 31, 2013 and 2012, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

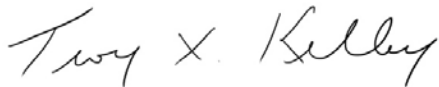
Supplementary and Other Information

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Liabilities are presented for purposes of additional analysis as required by the prescribed BARS manual. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

November 7, 2014

Financial Section

**Town of Coulee City
Grant County
January 1, 2012 through December 31, 2013**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2013
Fund Resources and Uses Arising from Cash Transactions – 2012
Notes to Financial Statements – 2013
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SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2013
Schedule of Liabilities – 2012

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 Current	101 Street	103 Park
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	324,743	39,546	0	35,651
30880	Beg Fund Bal-Unreserved	747,730	303,569	88,572	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	233,857	139,587	68,268	0
320	Licenses & Permits	3,644	3,644	0	0
330	Intergovernmental Revenues	56,614	34,060	21,354	0
340	Charges for Goods and Services	269,348	68,622	898	1,291
350	Fines & Penalties	790	790	0	0
360	Miscellaneous Revenues	337,252	35,354	1,479	114,023
Total Operating Revenues:		901,505	282,057	91,999	115,314
Operating Expenditures					
510	General Government	93,130	86,816	0	1,000
520	Public Safety	111,868	96,869	0	14,999
530	Utilities	179,772	0	0	0
540	Transportation	86,277	0	86,277	0
550	Natural and Economic Environment	8,537	3,939	0	0
560	Social Services	1,108	1,108	0	0
570	Culture And Recreation	127,368	23,553	0	103,815
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		608,060	212,285	86,277	119,814
Net Operating Increase (Decrease):		293,445	69,772	5,722	-4,500
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	3,311	1,036	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	3,000	0	0	0
Total Nonoperating Revenues:		6,311	1,036		
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	2,163	413	0	0
591-593	Debt Service	165,791	0	0	0
594-595	Capital Expenditures	77,655	14,126	10,863	1,247
597	Transfers-Out	3,000	0	0	0
Total Nonoperating Expenditures:		248,609	14,539	10,863	1,247
Increase (Decrease) in Cash and Investments		51,147	56,269	-5,141	-5,747
Ending Cash and Investments					
50810	End Fund Bal-Reserved	197,879	0	0	29,904
50880	End Fund Balance-Unreserved	925,742	399,384	83,431	0

The accompanying notes are an integral part of this Statement.

BARS Code		106 Stadium	110 Equipment Reserve Fund	201 Go Debt Fund (fire Station)	301 Capital Improvement
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	21,021	4,587	13,778	0
30880	Beg Fund Bal-Unreserved	0	0	0	26,010
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	6,295	0	17,607	1,702
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	377	12,975	296	471
Total Operating Revenues:		6,672	12,975	17,903	2,173
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	4,598	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		4,598			
Net Operating Increase (Decrease):		2,074	12,975	17,903	2,173
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:					
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	16,911	0
594-595	Capital Expenditures	0	0	0	3,193
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:				16,911	3,193
Increase (Decrease) in Cash and Investments		2,074	12,975	992	-1,020
Ending Cash and Investments					
50810	End Fund Bal-Reserved	23,095	17,562	14,771	0
50880	End Fund Balance-Unreserved	0	0	-1	24,990

The accompanying notes are an integral part of this Statement.

BARS Code		401 Water	402 T.v. Reflector	410 Sewer Fund
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	107,363	0	102,797
30880	Beg Fund Bal-Unreserved	165,343	18,849	145,388
38800/58800	Prior Period Adjustments, net	0	0	0
Operating Revenues				
310	Taxes	0	398	0
320	Licenses & Permits	0	0	0
330	Intergovernmental Revenues	1,200	0	0
340	Charges for Goods and Services	124,837	0	73,700
350	Fines & Penalties	0	0	0
360	Miscellaneous Revenues	63,584	340	108,353
Total Operating Revenues:		189,621	738	182,053
Operating Expenditures				
510	General Government	2,657	0	2,657
520	Public Safety	0	0	0
530	Utilities	111,086	1,306	67,380
540	Transportation	0	0	0
550	Natural and Economic Environment	0	0	0
560	Social Services	0	0	0
570	Culture And Recreation	0	0	0
598	Intergovernmental Payments	0	0	0
Total Operating Expenditures:		113,743	1,306	70,037
Net Operating Increase (Decrease):		75,878	-568	112,016
Nonoperating Revenues				
370, 380, 395, 398	Other Financing Sources	1,175	1,100	0
391-393	Debt Proceeds	0	0	0
397	Transfers-In	0	0	3,000
Total Nonoperating Revenues:		1,175	1,100	3,000
Nonoperating Expenditures				
580, 596, 599	Other Financing Uses	1,750	0	0
591-593	Debt Service	31,962	0	116,918
594-595	Capital Expenditures	1,979	0	46,247
597	Transfers-Out	3,000	0	0
Total Nonoperating Expenditures:		38,691		163,165
Increase (Decrease) in Cash and Investments		38,362	532	-48,149
Ending Cash and Investments				
50810	End Fund Bal-Reserved	2,250	0	110,297
50880	End Fund Balance-Unreserved	308,818	19,381	89,739

The accompanying notes are an integral part of this Statement.

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2012

BARS Code		Total for All funds*	001 Current Expense	101 Street Fund	103 Park & Rec Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	203,825	0	2,034	0
30880	Beg Fund Bal-Unreserved	854,925	278,754	86,258	52,029
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	209,425	121,000	64,462	0
320	Licenses & Permits	2,028	2,028	0	0
330	Intergovernmental Revenues	172,888	42,449	24,579	100,000
340	Charges for Goods and Services	231,363	57,060	827	462
350	Fines & Penalties	4,487	4,487	0	0
360	Miscellaneous Revenues	327,146	8,247	1,532	111,112
Total Operating Revenues:		947,337	235,271	91,400	211,574
Operating Expenditures					
510	General Government	81,195	81,195	0	0
520	Public Safety	109,679	108,334	0	0
530	Utilities And Environment	173,717	970	0	0
540	Transportation	91,320	0	91,320	0
550	Economic Environment	4,820	981	0	0
560	Mental & Physical Health	140	140	0	0
570	Culture And Recreation	145,201	22,190	0	123,011
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		606,073	213,809	91,320	123,011
Net Operating Increase (Decrease):		341,265	21,462	80	88,563
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	91,354	8,447	200	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:		91,354	8,447	200	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	9,943	2,343	0	0
591-593	Debt Service	184,019	0	0	0
594-595	Capital Expenditures	225,023	2,841	0	104,941
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		418,985	5,184		104,941
Increase (Decrease) in Cash and Investments		13,634	24,724	280	-16,378
Ending Cash and Investments					
50810	End Fund Bal-Reserved	289,093	0	0	0
50880	End Fund Balance-Unreserved	783,291	303,479	88,572	35,651

The accompanying notes are an integral part of this Statement.

BARS Code		106 Stadium Fund	108 Fire EQ Replace	110 Fackenthall Reserve	201 GO Debt
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	19,736	55,467	11,658	12,016
30880	Beg Fund Bal-Unreserved	0	0	0	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	4,761	0	0	17,406
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	5,860	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	363	26,904	12,604	267
Total Operating Revenues:		5,124	32,764	12,604	17,673
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities And Environment	0	0	0	0
540	Transportation	0	0	0	0
550	Economic Environment	3,839	0	0	0
560	Mental & Physical Health	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		3,839			
Net Operating Increase (Decrease):		1,285	32,764	12,604	17,673
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	921	5,599	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	0
Total Nonoperating Revenues:			921	5,599	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	19,131	15,911
594-595	Capital Expenditures	0	49,605	6,143	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:			49,605	25,274	15,911
Increase (Decrease) in Cash and Investments		1,285	-15,920	-7,071	1,762
Ending Cash and Investments					
50810	End Fund Bal-Reserved	21,021	39,546	4,587	13,778
50880	End Fund Balance-Unreserved	0	0	0	0

The accompanying notes are an integral part of this Statement.

BARS Code		301 Capital Imprv Fund	401 Water/Sewer Fund	402 TV Reflector Fund
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	0	102,914	0
30880	Beg Fund Bal-Unreserved	24,187	409,198	4,498
38800/58800	Prior Period Adjustments, net	0	0	0
Operating Revenues				
310	Taxes	1,376	0	419
320	Licenses & Permits	0	0	0
330	Intergovernmental Revenues	0	0	0
340	Charges for Goods and Services	0	173,014	0
350	Fines & Penalties	0	0	0
360	Miscellaneous Revenues	446	165,511	160
Total Operating Revenues:		1,823	338,526	579
Operating Expenditures				
510	General Government	0	0	0
520	Public Safety	0	0	1,345
530	Utilities And Environment	0	172,748	0
540	Transportation	0	0	0
550	Economic Environment	0	0	0
560	Mental & Physical Health	0	0	0
570	Culture And Recreation	0	0	0
598	Intergovernmental Payments	0	0	0
Total Operating Expenditures:			172,748	1,345
Net Operating Increase (Decrease):		1,823	165,777	-767
Nonoperating Revenues				
370, 380, 395, 398	Other Financing Sources	0	31,291	44,896
391-393	Debt Proceeds	0	0	0
397	Transfers-In	0	0	0
Total Nonoperating Revenues:			31,291	44,896
Nonoperating Expenditures				
580, 596, 599	Other Financing Uses	0	1,600	6,000
591-593	Debt Service	0	148,880	96
594-595	Capital Expenditures	0	37,811	23,682
597	Transfers-Out	0	0	0
Total Nonoperating Expenditures:			188,291	29,778
Increase (Decrease) in Cash and Investments		1,823	8,777	14,352
Ending Cash and Investments				
50810	End Fund Bal-Reserved	0	210,160	0
50880	End Fund Balance-Unreserved	26,010	310,731	18,849

The accompanying notes are an integral part of this Statement.

TOWN OF COULEE CITY
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2013, THROUGH DECEMBER 31, 2013

Note 1 - Summary of Significant Accounting Policies

The Town of Coulee City reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The Town of Coulee City was incorporated in 1907 and operates under the laws of the state of Washington applicable to a Town with a Mayor/Council form of government. The Town of Coulee City is a general purpose government and provides police, fire and ambulance services, street improvements, park, recreation, library services, and general administrative services, a TV translator, a city-owned water and sewer utility. The Town of Coulee City uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the Town of Coulee City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The Town's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the Town of Coulee City:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund (001)

This fund is the primary operating fund of the Town of Coulee City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds (100-199)

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the Town of Coulee City.

Debt Service Funds (200-299)

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds (300-399)

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds (400-499)

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the Town also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budgets

The Town of Coulee City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Current Expense Fund	\$256,613.00	\$217,857.66	\$38,755.34
Street Fund	\$378,011.00	\$97,139.14	\$280,871.86
Street Reserve Fund	\$29,000.00	\$0.00	\$29,000.00
Park Fund	\$145,048.00	\$119,813.24	\$25,234.76
Police Vehicle Fund	\$0.00	\$0.00	\$0.00
Ambulance Replacement	\$0.00	\$0.00	\$0.00
Stadium (Hotel/Motel) Fund	\$5,500.00	\$4,597.50	\$902.50
Rodeo Fund	\$0.00	\$0.00	\$0.00
Fire Equip Replacement	\$28,000.00	\$8,961.10	\$19,038.90
Ambulance Reserve	\$10,000.00	\$0.00	\$10,000.00
Equipment Reserve	\$0.00	\$0.00	\$0.00
Park Reserve	\$26,000.00	\$1,246.30	\$24,753.70
GO Debt Fund	\$17,500.00	\$16,910.96	\$589.04
Capital Improvement Fund	\$7,000.00	\$3,192.76	\$3,807.24
Water Operating Fund	\$94,358.50	\$93,866.70	\$491.80
TV Reflector Fund	\$1,900.00	\$1,305.70	\$594.30
Water Improvement Fund	\$36,100.00	\$34,961.98	\$1,138.02
DWSRF Fund	\$0.00	\$0.00	\$0.00
Water Reserve Fund	\$100,000.00	\$21,854.11	\$78,145.89
Sewer Operating Fund	\$78,058.50	\$70,850.55	\$7,207.95
Sewer Improvement Fund	\$176,490.00	\$166,850.08	\$9,639.92
Sewer Reserve Fund	\$0.00	\$0.00	\$0.00

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Town's legislative body.

D. Cash

It is the Town's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

E. Deposits

The Town of Coulee City deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

F. Investments See Note 2, Investments.

G. Capital Assets

The Town of Coulee City does not currently have a policy to establish a capital threshold. Capital assets are long-lived assets of the Town and are recorded as expenditures when purchased.

H. Compensated Absences

Vacation leave is provided based upon length and classification of employment. A maximum accrual of two (2) times the annual rate may be accumulated. Vacation leave accrued beyond the maximum and not taken by December 31st each year will be lost. Vacation leave is payable upon separation or retirement.

Sick leave may be accumulated up to a maximum of 1,000 hours. Employees shall be eligible to receive 25% of unused sick leave upon separation on good terms or retirement. Payment of accumulated sick leave will be paid upon approval of the Town Council.

I. Long-Term Debt See Note 6, Debt Service Requirements.

J. Other Financing Sources or Uses

The Town of Coulee City Other Financing Sources or Uses consist of sale of surplus equipment, insurance recovery, pass through fees, and consumer deposits.

K. Risk Management

The Town of Coulee City is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2013, 91 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property reinsurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA pays out of its own funds all claims up to its Self-Insured Retention (SIR) of \$250,000 and, thereafter, purchases liability re-insurance through

Berkley Public Entity of \$750,000. For the additional \$9 million in coverage limits, an excess liability policy is purchased from CV Starr. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. AWC RMSA has a retention of \$50,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

L. Reserved Fund Balance

The Town has restricted funds and loans which require reserves in the debt covenants. As of December 31, 2013, the reserved fund balances are as follows:

- Fund #001 (Fund 108 rolled) -- \$63,848.46
- Fund #103 – USBR (U.S. Bureau of Reclamation) agreement - \$29,904.60
- Fund #110 Equipment Reserve –Fackenthall Private Grant--\$17,562.27
- Fund #106 Stadium Fund—RCW 67.28.1815--\$23,095.02

- Fund #201—General Obligation Debt Service fund—voted GO obligation--\$14,771.22
- Fund #401—Water Fund—\$153,642.89
- Fund #410—Sewer Fund--\$110,297.00

Note 2 - Investments

The Town's investments are either insured, registered or held by the Town or its agent in the Town's name. Investments are presented at fair market value.

Investments by type at December 31, 2013 are as follows:

Type of Investment	Town's Own Investments	Investments held by (City) as an agent for other local governments, individual or private organizations	Total
LGIP	\$ 22,717.78		\$ 22,717.78
Grant County Investments	\$ 872,231.98		\$ 872,231.98
Other	\$ -		\$ -
Total	\$ 894,949.76		\$ 894,949.76

Note 3 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by Town. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town's regular levy for the year 2013 was \$2.716173 per \$1,000 on an assessed valuation of \$29,260,110 for a total regular levy of \$79,476.00.

In 2004, the Town voted on an excess levy for the Fire Station. The excess levy for 2013 is 0.606308 per \$1,000 on an assessed valuation of 28,862,410 for a total additional levy of \$17,500.00.

Note 4 – Debt Service Requirements

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the Town and summarizes the Town's debt transactions for year ended December 31, 2013.

The debt service requirements for general obligation bonds, revenue bonds and other debt including both principle and interest are as follows:

	General		Revenue		Other		Total
	Obligation		Bonds		Debt		Debt
2014	\$ 15,910.96		\$ 42,214.00		\$ 106,666.28		\$ 164,791.24
2015	\$ 15,910.96		\$ 42,214.00		\$ 106,666.28		\$ 164,791.24
2016	\$ 15,910.96		\$ 42,214.00		\$ 106,666.28		\$ 164,791.24
2017	\$ 15,910.96		\$ 42,214.00		\$ 106,666.28		\$ 164,791.24
2018	\$ 15,910.96		\$ 42,214.00		\$ 106,666.28		\$ 164,791.24
2019-2023	\$ 79,554.80		\$ 211,070.00		\$ 464,356.06		\$ 754,980.86
2024-2028	\$ 79,554.80		\$ 211,070.00		\$ 188,454.70		\$ 479,079.50
2029-2033			\$ 211,070.00		\$ 75,381.88		\$ 286,451.88
2034-2038			\$ 211,070.00				\$ 211,070.00
2039-2043			\$ 211,070.00				\$ 211,070.00
2044-2048			\$ 126,642.00				\$ 126,642.00
TOTALS	\$ 238,664.40		\$ 1,393,062.00		\$ 1,261,524.04		\$ 2,893,250.44

Note 5 - Pension Plans

Substantially all qualifying full-time and qualifying part-time employees participate in PERS 2 program administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the Town's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Note 7 - Other Disclosures

In 2013 the Water/Sewer Operations Fund was separated to form Fund 401 for Water and Fund 410 for Sewer.

The Town has several managerial funds that have been established to meet its fiscal and budgetary needs. For reporting purposes these funds are rolled to meet the BARS requirements as prescribed by the WA State Auditor's Office under RCW 43.09. The funds are:

- General Fund includes the funds of 001, 104, 105, 107, 108, and 109
- Street Fund includes the funds of 101 and 102
- Park (USBR) Fund – includes the funds of 103 and 111
- Water Utility Fund includes the funds of 401, 405, 406, 407, 408
- Sewer Utility Fund includes the funds of 410, 460, 461

Because Coulee City Warrants No. 11373 dated 4/9/2008 for \$10.00 and No. 13916 dated 4/12/2012 for \$10.00 and No. 11564 dated 7/16/2008 for \$50.00 and No. 12472 dated 1/13/2010 for \$20.00 were lost, they were cancelled and the beginning fund balance on the General Fund for 2013 was increased by the total of \$90.00 and checks were re-issued on February 6, 2013, to replace the lost warrants.

TOWN OF COULEE CITY
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2012 THROUGH DECEMBER 31, 2012

Note 1 - Summary of Significant Accounting Policies

The Town of Coulee City reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The Town of Coulee City was incorporated in 1907 and operates under the laws of the state of Washington applicable to a Town with a Mayor/Council form of government. The Town of Coulee City is a general purpose government and provides police, fire and ambulance services, street improvements, park and recreation and library services and general administrative services, a TV translator, a city-owned water and sewer utility. The Town of Coulee City uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the Town of Coulee City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The Town's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the Town of Coulee City.

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund (001)

This fund is the primary operating fund of the Town of Coulee City. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds (100-199)

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the Town of Coulee City.

Debt Service Funds (200-299)

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds (300-399)

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds (400-499)

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the Town also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budgets

The Town of Coulee City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Current Expense Fund	\$239,955.00	\$220,993.54	\$18,961.46
Street Fund	\$94,332.00	\$91,320.42	\$3,011.58
Street Reserve Fund	\$57,000.00	\$0.00	\$57,000.00
Park Fund	\$135,023.00	\$127,952.56	\$7,070.44
Police Vehicle Fund	\$22,000.00	\$0.00	\$22,000.00
Ambulance Replacement	\$9,000.00	\$0.00	\$9,000.00
Stadium (Hotel/Motel) Fund	\$21,000.00	\$3,839.00	\$17,161.00
Rodeo Fund	\$5,000.00	\$0.00	\$5,000.00
Fire Equip Replacement	\$55,000.00	\$49,605.17	\$5394.83
Ambulance Reserve	\$9,000.00	\$0.00	\$9,000.00
Equipment Reserve	\$25,500.00	\$25,274.14	\$225.86
Park Reserve	\$18,000.00	\$0.00	\$18,000.00
GO Debt Fund	\$17,500.00	\$15,910.96	\$1,589.04
Capital Improvement Fund	\$9,000.00	\$0.00	\$9,000.00
Water Fund	\$191,831.00	\$191,728.74	\$102.26
TV Reflector Fund	\$32,140.00	\$31,123.17	\$1,016.83
Water Improvement Fund	\$36,100.00	\$34,961.97	\$1,138.03
Water Reserve Fund	\$40,000.00	\$18,829.64	\$21,170.36
Sewer Improvement Fund	\$176,590.00	\$121,418.31	\$55,171.69

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the Town's legislative body.

D. Cash

It is the Town's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

E. Deposits

The Town of Coulee City deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission.

F. Investments See Note 2.

G. Capital Assets

The Town of Coulee City does not currently have a policy to establish a capital threshold. Capital assets are long-lived assets of the Town and are recorded as expenditures when purchased.

H. Compensated Absences

Vacation leave is provided based upon length and classification of employment. A maximum accrual of two (2) times the annual rate may be accumulated. Vacation leave accrued beyond the maximum and not taken on December 31st each year will be lost. Vacation leave is payable upon separation or retirement.

Sick leave may be accumulated up to a maximum of 1,000 hours. Employees shall be eligible to receive 25% of unused sick leave upon separation on good terms or retirement. Payment of accumulated sick leave will be paid upon approval of the Town Council.

I. Long-Term Debt See Note 6.

J. Other Financing Sources or Uses

The Town of Coulee City Other Financing Sources or Uses consist of operating transfers in and out, debt service and capital expenditures.

K. Risk Management

The Town of Coulee City is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2012, 91 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and boiler and machinery insurance coverage. Boiler and machinery is included with the property reinsurance carrier and employee fidelity coverage is a stand-alone policy that the AWC RMSA arranges for its members. The AWC RMSA also allows members to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. AWC RMSA, itself, pays out of its own funds all claims up to \$250,000 for liability and \$50,000 for property, and thereafter purchases excess liability insurance through ACE Insurance Company up to \$1 million, and CV Starr, from \$1 million to \$10 million. The excess property coverage is purchased through Lexington with limits up to \$250 million, using the Pool's broker, Arthur J. Gallagher Risk Management Services. Since AWC RMSA is a cooperative program, there is a joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

L. Reserved Fund Balance

The Town has restricted funds and loans which require reserves in the debt covenants. As of 12/31/2012 the reserved fund balances are as follows:

- Fund #103 – USBR (U.S. Bureau of Reclamation) agreement - \$35,650.92
- Fund #110 Equipment Reserve –Fackenthall Private Grant—\$4,587.09
- Fund #106 Stadium Fund—RCW 67.28.1815--\$21,020.65
- Fund #108 Fire EQ Fund—Ord #428 --\$39,546.27
- Fund #201—General Obligation Debt Service fund—voted GO obligation--\$13,778.44
- Fund #401—Water/Sewer Utility Fund—\$210,160

Note 2 - Investments

The Town's investments are either insured, registered or held by the Town or its agent in the Town's name. Investments are presented at cost.

Investments by type at December 31, 2012 are as follows:

Type of Investment	Town's own investments	Investments held by (City) as an agent for other local governments, individual or private organizations.	Total
L.G.I.P.	\$48,638.82	\$	\$48,638.82
Grant County Investments	\$854,837.64		\$854,837.64
Other			
Total	\$903,476.46	\$	\$903,476.46

Note 3 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by Town. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The Town's regular levy for the year 2012 was \$2.653809 per \$1,000 on an assessed valuation of \$29,143,081 for a total regular levy of \$77,340.00.

In 2004, the Town voted on an excess levy for the Fire Station. The excess levy for 2012 is 0.609961 per \$1,000 on an assessed valuation of 28,690,326, for a total additional levy of \$17,500.00.

Note 4 - Interfund Loans

The following table displays interfund loan activity during 2012:

Borrowing Fund	Lending Fund	Balance 1/1/12	New Loans	Repayments	Ending Balance 12/31/12
402	001	\$ 6,000.00		\$ 6,000.00	\$ -
	Totals	\$ 6,000.00	\$ -	\$ 6,000.00	\$ -

Note 5 – Debt Service Requirements

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the Town and summarizes the Town's debt transactions for year ended December 31, 2012.

The debt service requirements for general obligation bonds, revenue bonds and other debt including both principle and interest are as follows:

	General					
	Obligation		Revenue		Other	Total
	Bonds		Bonds		Debt	Debt
2013	\$ 15,910.96		\$ 42,214.00		\$ 111,186.28	\$ 169,311.24
2014	\$ 15,910.96		\$ 42,214.00		\$ 111,186.28	\$ 169,311.24
2015	\$ 15,910.96		\$ 42,214.00		\$ 111,186.28	\$ 169,311.24
2016	\$ 15,910.96		\$ 42,214.00		\$ 108,926.28	\$ 167,051.24
2017	\$ 15,910.96		\$ 42,214.00		\$ 106,666.28	\$ 164,791.24
2018-2022	\$ 79,554.80		\$ 211,070.00		\$ 464,356.12	\$ 754,980.92
2023-2027	\$ 63,643.84		\$ 211,070.00		\$ 188,454.70	\$ 463,168.54
2028-2032	\$ -		\$ 211,070.00		\$ 113,072.87	\$ 324,142.87
2033-2037			\$ 211,070.00		\$ -	\$ 211,070.00
2038-2042			\$ 211,070.00		\$ -	\$ 211,070.00
2043-2047			\$ 168,856.00		\$ -	\$ 168,856.00
TOTALS	\$ 222,753.44		\$ 1,435,276.00		\$ 1,315,035.09	\$ 2,973,064.53

Note 6 - Pension Plans

Substantially all qualifying full-time and qualifying part-time employees participate in PERS 2 program administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Qualifying Town police department employees participate in the LEOFF retirement program administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the Town's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Note 7 - Other Disclosures

The Town has several managerial funds that have been established to meet its fiscal and budgetary needs. For reporting purposes these funds are rolled to meet the BARS requirements as prescribed by the WA State Auditor's Office under RCW 43.09. The funds are:

- General Fund includes the funds of 001, 104, 105, 107, and 109
- Street Fund includes the funds of 101 and 102
- Park (USBR) Fund – includes the funds of 103 and 111
- Water/Sewer Utility Fund includes the funds of 401, 405, 406, 407, 408, 460, and 461

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	251.12	Fire Station GO Bonds 2004	12/20/2028	172,520	0	8,205	164,315
	259.11	Compensated Absence Liability	12/31/2013	12,669	2,481	0	15,150
		Total General Obligations:		185,189	2,481	8,205	179,466
Revenue Obligations							
	263.82	DOE-Wastewater 2003	8/3/2022	689,753		68,975	620,778
	263.82	DOE-Water/Wastewater 09	4/30/2027	678,437		37,691	640,746
	252.11	USDA-Water/Wastewater 07	5/15/2047	774,589		10,262	764,327
	259.12	Water/Wastewater Compensated Absence Liability	12/31/2013	1,892	4,941		6,833
		Total Revenue Obligations:		2,144,672	4,941	116,928	2,032,684
		Total Liabilities:		2,329,860	7,422	125,133	2,212,149

Town of Coulee City

Schedule of Liabilities

For the year ended December 31, 2012

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2012	Additions	Reductions	Ending Balance December 31, 2012
General Obligations							
	251.12	Fire Station GO Bonds '94	12/20/2026	179,368	0	6,849	172,519
	251.11	USDA-Comm Facility '09	3/20/2016	18,274	0	18,274	0
	259.11	G.O. Compensated Absence Liability	12/31/2012	11,786	883	0	12,669
Total General Obligations:				209,428	883	25,123	185,188
Revenue Obligations							
	263.82	DOE - Water/Wastewater '03	8/3/2022	758,729	0	68,975	689,754
	263.82	DOE - Water/Wastewater '09	4/30/2027	716,128	0	37,691	678,437
	252.11	USDA-Water/Wastewater '07	5/15/2047	784,445	0	9,856	774,589
	259.12	Water/Wastewater Compensated Absence Liability	12/31/2012	1,821	71	0	1,892
Total Revenue Obligations:				2,261,123	71	116,522	2,144,672
Total Liabilities:				2,470,551	954	141,645	2,329,860

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
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